

**REMARKS**

Claims 1-17 and 19-44 are pending in the application. Claim 17 has been amended to correct a typo.

Claims 1 and 17 have been rejected under 35 U.S.C. 101. It is submitted that claims 1 and 17 are directed to patentable subject matter because those claims recite a method and a system for an conducting electronic business transaction between a user and a vendor offering tangible goods, content, or services. More specifically, the method and system of claims 1 and 17 include issuing electronic tokens from a micropayment service provider (MSP) to the user, authorizing and completing the transaction between the user and the vendor, and recording a royalty to the MSP. Therefore, the method and system of claims 1 and 17 produce a useful, tangible, and concrete result and fully conform to the guidelines for patentability outlined in MPEP 2106.IV.A and C.1.(2). For at least these reasons, the rejection under 35 U.S.C. 101 is respectfully traversed. Moreover, by way of example, claim 1 also has a tangible result, namely recording. In addition, by way of example, claim 17 recites tangible apparatus, a server.

Claims 1-17 and 19-44 have been rejected under 35 U.S.C. 102(e) in view of Shkedy U.S. Patent No. 6,236, 972. It is submitted that Shkedy does not teach or suggest issuing a plurality of electronic tokens from a server of a micropayment service provider, storing a subset of the electronic tokens purchased with a different currency, and settling payments for electronic tokens used by the user. Accordingly it respectfully is submitted that the rejection is traversed.

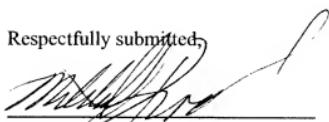
In addition, although both Shkedy and the instant application mention the term “tokens”, the term has a different meaning in Shkedy – a further reason for traverse. Shkedy defines “tokens” as a type of hardware device used for authentication, and, at col. 19, line 64 – col. 20, line 12, provides specific examples of such devices made by Security Dynamics and Axent. In contrast, the present application defines “tokens” at paragraph [0068] as electronic authorizations that are accepted at all electronic commerce vendor web sites to allow users to purchase tangible goods, content, or services. For these additional reasons, the rejection under 35 U.S.C. 102(e) is respectfully traversed.

**Conclusion**

It is believed that all objections and rejections in the application have been addressed and that the present application is in condition for allowance. A favorable reconsideration and allowance of the pending claims is solicited. If necessary, the Commissioner is hereby authorized in this and concurrent replies to charge payment (or credit any overpayment) to Deposit Account No. 50-2298 for any additional required fees.

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Respectfully submitted,



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